view of the recent judgement given in this regard;

(b) whether any communication has been received by Government from the Army Headquarters in this regard; and

(c) what is the latest thinking of Government on the subject?

THE MINISTER OF DEFENCE (SHRI SHARAD PAWAR): (a) to (c) A case on this issue is pending in the Gauhati High Court. The entire matter is, therefore, sub-judice.

**Restructuring of Cement Corporation of India**

124. SHRI SHIV PRATAP MISHRA: Will the PRIME MINISTER be pleased to state:

(a) whether Government propose to restructure the Cement Corporation of India; and

(b) if so, the details of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. K. THUNGON): (a) The proposal of financial restructuring of Cement Corporation of India has already been approved by the Government.

(b) A statement giving the details is enclosed. (*See below*)

**Statement**

(1) Plan loans of Rs. 41.75 crores out of the total outstanding Plan Loans of Rs. 130.09 crores may be converted into equity to ensure debt-equity ratio 1:1.

(2) The Corporation may be sanctioned moratorium for a period of 6 years on the remaining outstanding Plan loans amounting to Rs. 88.34 crores and re-scheduling of the repayments of these loans. The effect of re-scheduling will be that the total period of repayment of plan loans will be extended upto 20 years.

(3) The Corporation may also be sanctioned mortatorium for a period of 2 years on the Non-plan loan of Rs. 22.37 crores sanctioned in the year 1988-89.

(4) Outstanding interest on Government loans as on 31-3-1989 amounting to Rs. 3.84 crores may be written off.

(5) The Corporation may also be sanctioned interest holiday on balance plan loans for a period of one year i.e. 1989-90. The amount involved is Rs. 12.03 crores.

**Petrochemicals Complex near Barauni Oil Refinery (Bihar)**

125. SHRI S. S. AHLUWALIA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have decided to set up a Petrochemicals complex near Barauni Oil Refinery in Begusarai District of Bihar; and

(b) if so, by when the work is likely to commence and the period in which it is likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZER (DR. CHINTA MOHAN): (a) No. Sir.

(b) Does not arise.

**Measures to improve functioning of PSUs.**

126. SHRI KRISHNA KUMAR BIRLA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that there has been a steep fall in the profitability of Public Sector Undertakings during the first half of 1990-91;

(b) if so, the reasons therefor;

(c) whether Government have recently contemplated any concrete measures to improve the functioning of PSUs to make them more profitable; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. K. THUNGON): (a) 181 Central Public Sector Undertakings earned a net profit of Rs. 481.28 crores during the first half year of 1990-91 against a net profit of Rs. 1103.25 crores earned by 176 enterprises during the corresponding period of 1989-90.

(b) Some of the main reasons for decline in profitability are: Increase in Iron & Steel Prices not commensurate with increase in costs for inputs, heavy drop in production due to power failure, strike at Bombay Refinery (Hindustan Petroleum Corpn. Ltd.) and flooding of sub-station 132 KVA Vizag Refinary due to cyclonic storm in May, 1990, drop in sales and also charging of operating expenses of Rs. 55 crores from Maharashtra Gas Craker Complex (Indian Petro-chemicals Corporation) which is yet to start commercial production, grounding of A-320 aircraft, adverse change in exchange rate of US and the increase in landing and navigational charges by Airport Authority (Indian Airlines) uncovered gap between price and costs of ships and high interest liability (Cochin Shipyard), etc.

(c) and (d) Improving working of the Central Public Sector Undertakings is a continuous process. Enterprise specific steps are taken by the concerned adiminstrative Ministry/ Department. Some of the measures taken are product-mix, technological upgradation,, improved maintenance management practices, energy conservation, modernisation and rehabllitation, organisational restructuring, introduction of MOU, etc.

**Production of kerosene and diesel from natural gas**

127. SHRI KRISHNA KUMAR BIRLA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that according to a study conducted by scientists at the National Chemical Laboratory, Pune, production of kerosene and diesel is feasible from the natural gas;

(b) if so, what are the details thereof;

(c) what is the estimated cost required for the technology to convert natural gas into kerosene and diesel; and

(d) whether in view of the current oil prices in the world market, the technology is considered to be viable?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SMT. MARGARET ALVA):

(a) Yes, Sir. National Chemical Laboratory (NCL) Scientists have developed a catalyst to convert natural gas to kerosene and diesel and demonstrated its feasibility on a laboratory scale.

(b) The project of putting up a one tonne per day pilot plant for the process has been funded by the Centre for High Technology, Government of India. The pilot plant is being set up by Bharat Petroleum Corporation Limited (BPCL), Bombay, based on the design of NCL and Davy Power Gas India. The pilot plant will enable studying the technical feasibility of the catalyst and the process for conversion of natural gas to kerosene and diesel on commercial scale.

(c) and (d) Determination of the commercial viability of the technology and the cost of the plant will depend upon the outcome of technical feasibility of the process.

128. [*Transferred to the 6th September*, 1991]

**Allocation of Funds to States**

129. SHRI RAMDAS AGARWAL: Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) what are the broad planning norms kept in view by the Planning Commission while allocating funds to various States with regard to Power, Education and Drinking water supply;